



# Fraud Attempts and Preventative Actions

## Stay Vigilant to Protect Your Clients and Your Practice

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Fraud attempts are rampant across the financial services sector. Our industry is under attack by account takeover attempts. In 2023, over **\$10 billion in losses**<sup>1</sup> was attributed to losses tied to fraudulent activity. Which marks a 14% increase over reported losses in 2022.

### Compromised Information: Everything Everywhere All at Once

At this point it's safe to say the majority of adults have had their personally identifiable information (PII) compromised repeatedly. Fraudsters gain entry to information that, when combined with other data, enables them to attempt to access financial services accounts. Beyond PII, perhaps the single most important hack for a fraudster is to an email account. It's there where a motherlode of information about the client's financial affairs and activities – including bills, online purchasing details, banking and even insurance – can be found.

### Account Takeover Attempts: Relentless and Sophisticated

Fraudsters now are focused on insurance companies. This calls for increased vigilance and continuous deployment of protective tools and processes. Past cues of a fraudster, including heavy accents and fragmented phone connections, have been replaced with voice overlays and Voice over Internet Protocol (VoIP) that masks identity, caller physical location and other important identifiers. Moreover, fraudsters have become much more astute in understanding carrier requirements and practices. Wrongdoers the world over are always at work seeking ways to avoid detection and successfully siphon funds from an account without detection.

### 4 Safeguards: Help Protect Your Clients and Yourself

Beyond mainstay protections such as not sharing login information, passwords or other PII, it's critical you help prevent account compromise. Do so by following these tips:



1. **Verify the authenticity of requests received via email, fax or other non-verbal communication.**  
A fraudster who has compromised a client's email can easily pose as your customer, requesting you initiate service requests on their behalf. A quick call to a phone number you have on record for your client can help thwart these attempts.
2. **Call to confirm important requests and changes** (e.g., change to a bank account or address and significant changes to payment or disbursement activity.) Make an outbound call to confirm the request is legit. Fraudsters know to make inbound calls impersonating clients to support such changes. Making an outbound call significantly reduces the risk you're talking to a fraudster.
3. **Be cautious when providing account information via phone.** Fraudsters will attempt to mask identity by reaching out to you via text or other form. Anytime a call or text is received where the voice sounds unfamiliar, sound quality is poor or the message is of urgent nature, take extra steps to confirm the identify your client.
4. **Make conversation about fraud and account takeover prevention part of your regular communications with your clients.** Notify us immediately if you or a client has had your identity and especially, email address, compromised.

### Information Security: Always Critical. Everyone's Responsibility.



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<sup>1</sup> <https://www.ftc.gov/news-events/news/press-releases/2024/02/nationwide-fraud-losses-top-10-billion-2023-ftc-steps-efforts-protect-public>

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